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BEFORE THE ARIZONA CORPORATION COMMISSION

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2007 DEC 14 A 10: 43

Arizona Corporation Commission

DOCKETED

DEC 14 2007

MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE

AZ CORP COMMISSION  
DOCKET CONTROL

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IN THE MATTER OF:

DOCKET NO. S-20539A-07-0425

KELLY J. WATERS AND DANIEL B. WATERS,  
HUSBAND AND WIFE

KELLY'S MOBILE HOME SALES, INC.,  
AN ARIZONA CORPORATION,

RESPONDENTS.

FOURTH  
PROCEDURAL ORDER

**BY THE COMMISSION:**

On July 20, 2007, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order ("T.O.") and Notice of Opportunity for Hearing ("Notice") against Kelly's Mobile Home Sales, Inc. ("KMH"), Kelly J. Waters and Daniel B. Waters, husband and wife (collectively "Respondents"), in which the Division alleged multiple violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in the form of investment contracts.

Respondents were duly served with copies of the Notice.

On August 16, 2007, Respondents filed a request for a hearing.

On August 21, 2007, by Procedural Order, a pre-hearing conference was scheduled on September 18, 2007.

On September 18, 2007, the Division and Respondents appeared through counsel. The parties requested and agreed that a status conference be scheduled in several weeks. By Procedural Order, a status conference was scheduled for October 10, 2007.

1 On October 10, 2007, the Division and Respondents appeared through counsel. Counsel for  
2 the Division indicated that more time was needed to review documents and records of the  
3 Respondents to determine how best to resolve the proceeding with the Respondents. Counsel for the  
4 parties agreed to another status conference being scheduled in approximately 60 days.

5 On October 11, 2007, by Procedural Order, a status conference was scheduled for December  
6 13, 2007.

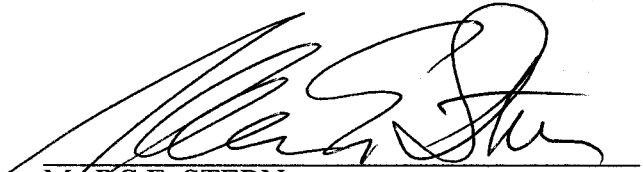
7 On December 13, 2007, counsel for the Division appeared and counsel for the Respondents  
8 appeared telephonically. Issues in the proceeding were discussed and it was agreed that a hearing be  
9 scheduled on the issues raised by the Notice.

10 IT IS THEREFORE ORDERED that a **hearing** shall be held on **May 19, 2008, at 9:30 a.m.**,  
11 or as soon thereafter as is practicable, at the Commission's offices, 1200 West Washington Street,  
12 Phoenix, Arizona.

13 IT IS FURTHER ORDERED that the parties shall also set aside May 20, 21, 22 and 23, 2008,  
14 for additional days of hearing, if necessary.

15 IT IS FURTHER ORDERED that the parties shall exchange **copies of their witness lists and**  
16 **copies of their exhibits** by **April 1, 2008**, with courtesy copies provided to the Administrative Law  
17 Judge.

18 Dated this 14<sup>TH</sup> day of December, 2007


19  
20  
21   
22 MARC E. STERN  
23 ADMINISTRATIVE LAW JUDGE  
24  
25  
26  
27  
28

1 Copies of the foregoing were mailed/delivered  
this 14th day of December, 2007 to:

2 Ashley Adams  
3 RYAN RAPP & UNDERWOOD, P.L.C.  
3101 North Central Avenue, Suite 1500  
4 Phoenix, AZ 85012  
Attorney for Respondents.

5  
6 Matt Neubert, Director  
Securities Division  
7 ARIZONA CORPORATION COMMISSION  
1300 West Washington Street  
8 Phoenix, Arizona 85007

9 ARIZONA REPORTING SERVICE, INC.  
2200 North Central Avenue, Suite 502  
10 Phoenix, AZ 85004-1481

11  
12 By:   
Debra Broyles  
13 Secretary to Marc E. Stern